

OFFICIAL COPY

Fresno, California

June 12, 2007

The City Council met in regular session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written.

Present:	Brian Calhoun	Councilmember
	Mike Dages	Councilmember
	Jerry Duncan	Councilmember
	Cynthia Sterling	Councilmember
	Larry Westerlund	Councilmember
	Blong Xiong	Acting Council President
	Henry Perea	Council President

Andy Souza, City Manager
Dave Hale, Acting City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

Reverend Lou Paradise of Westminster Presbyterian Church gave the invocation, and President Perea led the Pledge of Allegiance.

COMMENDATION TO THE UNIVERSITY HIGH ACADEMIC TEAM - COUNCILMEMBER WESTERLUND

PRESENTATION OF THE CALIFORNIA WATER ENVIRONMENT ASSOCIATION 2006 STATE AWARDS TO THE FRESNO-CLOVIS REGIONAL WASTEWATER TREATMENT FACILITY AND STAFF - ASSISTANT CITY MANAGER RUIZ

PRESENTATION OF AWARDS TO ENVIRONMENTAL LEADERS IN FRESNO: LEWIS GREEN OF THE CHAFFEE ZOO, LINDA NIMER OF WAWONA MIDDLE SCHOOL, AND BRADY MATOIAN OF OK PRODUCE - PRESIDENT PEREA

PRESENTATION OF ENVIRONMENTAL INDUSTRY ASSOCIATION AWARD TO MICHAEL FLORES, SOLID WASTE DIVISION "DRIVER OF THE YEAR" - ASSISTANT CITY MANAGER RUIZ

Commendation and presentations made.

APPROVE MINUTES OF MAY 31, JUNE 5 AND JUNE 7, 2007

On motion of President Perea, seconded by Councilmember Westerlund, duly carried, **RESOLVED**, the minutes of May 31 and June 5, 2007, approved as submitted, and approval of the red-tagged minutes of June 7, 2007, was laid over one week.

COUNCIL MEMBER REPORTS AND COMMENTS:

COUNCILMEMBER DAGES - (1) Request city manager look into the difficulty a representative from Microdot Security Solutions is having with police department staff on a proposal for the City; (2) request city manager request KB Homes to repair damages caused by a hole dug on Church Avenue; and (3) commendation to Mosqueda Supervisor David Rodriguez for taking care of the Sequoia Middle School's pool pump.

COUNCILMEMBER WESTERLUND - (1) Pursuant to AB 1234 report on trip to Sacramento to lobby for the Veteran's Home, and active Navy duty service last week; and (2) reiteration of request for information on Kronos/Cognos for the Audit Committee, with City Manager Souza responding.

COUNCILMEMBER CALHOUN - Request staff provide report on status of work with the owners of the unsightly Crest Theater building.

- - - -

APPROVE AGENDA:

By Council consensus, the lunch break was set from 1:00 pm - 3:00 pm (instead of 12 to 2 pm) to allow Council members to make a presentation at the Board of Supervisors' meeting at 2 pm.

(1-I) APPROVE A REIMBURSEMENT AGREEMENT WITH THE FRESNO METROPOLITAN FLOOD CONTROL DISTRICT FOR INSTALLATION OF A CANAL INTERTIE CONNECTION AND MASTER PLAN STORM DRAIN FACILITIES AND RE-DESIGNATION OF BASIN "BM" FROM RECREATION TO GROUNDWATER RECHARGE

Removed from the agenda/to be rescheduled.

(1-N) BILL NO. B-48 - REPEALING, AMENDING AND ADDING SECTIONS TO THE FRESNO MUNICIPAL CODE RELATING TO IMPACT FEES FOR STREET FACILITIES AND TRAFFIC SIGNAL FACILITIES

City Clerk Klisch displayed a bulk of written material related to the matter and advised it was received late Friday from the law firm of McCormick Barstow in which the firm indicated in their letter that it was previously provided to Council, and acknowledged receipt of the materials for the record. Also for the record Acting City Attorney Hale restated an objection previously raised at numerous hearings relative to McCormick Barstow's presentation in that Mr. Reid was city manager at the time. **(2 - 0)** Upon question of Councilmember Westerlund, Mr. Hale stated the documents seemed consistent with what Council previously received. (Note - following this vote Mr. Hall from McCormick Barstow stated the packet was unchanged from that previously submitted.)

On motion of Councilmember Dages, seconded by Councilmember Westerlund, duly carried, **RESOLVED**, the AGENDA hereby approved, as amended, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

- - - -

ADOPT CONSENT CALENDAR:

(1-N) Chris Hall, McCormick Barstow, spoke to Item **1-N** and submitted into the record another set of the materials just referred to by City Clerk Klisch and confirmed the packet was unchanged and was the same as previously presented on numerous occasions.

Councilmember Calhoun pulled Item **1-K** and Councilmember Westerlund pulled Item **1-M** from the Consent Calendar for separate discussion/action.

(1-A) AUTHORIZE THE DIRECTOR OF AVIATION TO SIGN NEW LEASES AND RESTATED CONCESSION AGREEMENTS ON BEHALF OF THE CITY WITH AVIS RENT A CAR SYSTEM, INC., BUDGET RENT A CAR SYSTEM, INC., DTG OPERATIONS d.b.a. DOLLAR CAR RENTAL, ENTERPRISE RENT A CAR COMPANY OF SACRAMENTO, THE HERTZ CORPORATION, AND VANGUARD CAR RENTAL USA, INC., d.b.a. ALAMO/NATIONAL, CURRENTLY OPERATING AT THE FYI AIRPORT TO COVER THEIR USE AND FINANCIAL SUPPORT OF THE CONSOLIDATED RENTAL CAR FACILITY TO BE CONSTRUCTED AT THE AIRPORT

(1-B) APPROVE A TEN YEAR EXTENSION (COMMENCING NOVEMBER 1, 2007) OF SKYWEST AIRLINES, INC.'S LEASE OF HANGAR P-3 AND SITE AT THE FYI AIRPORT WITH THE RENT FIXED AT \$38,000 PER MONTH FOR THE FIRST TWO YEARS, \$45,000 FOR THE THIRD YEAR, AND SUBJECT TO ADJUSTMENT FOR THE FOURTH AND EACH SUBSEQUENT YEAR BASED ON THE PERCENTAGE GROWTH, IF ANY, OF CERTAIN INDICES REGULARLY PUBLISHED BY THE US DEPARTMENT OF LABOR/BUREAU OF STATISTICS; AND WITH A RIGHT IN SKYWEST TO TERMINATE THE LEASE AT ANY TIME BY GIVING SIXTY DAYS' ADVANCE NOTICE

(1-C) APPROVE THE SALE OF A REMNANT PARCEL OF LAND NEAR E. TYLER AND N. ANGUS STREETS TO THE

ADJACENT PROPERTY OWNER NAYIRI SAGHDEJIAN, AND AUTHORIZE THE PUBLIC WORKS DIRECTOR TO EXECUTE THE AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS AND SIGN AND RECORD A GRANT DEED TO CONVEY TITLE TO NAYIRI SAGHDEJIAN

(1-D) RESOLUTION NO. 2007-203 - CHANGING THE RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX AND ESTABLISHING A NEW MAXIMUM SPECIAL TAX FOR ANNEXATION NO. 81, FINAL TRACT NO. 5258, AND ANNEXATION NO. 82, FINAL TRACT NO. 5295, OF CFD NO. 2

(1-E) AWARD A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$643,653 TO A-C ELECTRIC COMPANY FOR THE MODIFICATION OF EXISTING TRAFFIC SIGNAL FACILITIES TO PROVIDE PROTECTED LEFT TURN PHASING AT THE INTERSECTIONS OF BELMONT AND FRESNO STREET AND DAKOTA AND FRESNO STREET; AND AUTHORIZE THE PUBLIC WORKS DIRECTOR OR ASSIGNEE TO SIGN THE CONTRACT ON BEHALF OF THE CITY

(1-F) AUTHORIZE THE DIRECTOR OF AVIATION TO EXECUTE AN AGREEMENT WITH HARRIS & ASSOCIATES, WITH A TERM OF THREE (3) YEARS AND IN THE AMOUNT OF \$500,000, TO PROVIDE ON-CALL CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR VARIOUS PROJECTS AT THE FYI AIRPORT AND FRESNO CHANDLER EXECUTIVE AIRPORT

(1-G) AWARD A CONTRACT IN THE AMOUNT OF \$445,203.50 TO AMERICAN PAVING COMPANY FOR INSTALLATION OF STREET INFRASTRUCTURE IN NO NEIGHBORHOOD LEFT BEHIND AREA 83

(1-H) RESOLUTION NO. 2007-204 - 88TH AMENDMENT TO AAR 2006-253 APPROPRIATING \$125,000 IN ADDITIONAL UGM 101S WATER SUPPLY CAPITAL FUNDS FOR PREVIOUSLY-APPROVED WATER SUPPLY PROJECTS IN NORTHEAST FRESNO

(1-J) APPROVE THE FIRST AMENDMENT TO THE AGREEMENT WITH WEST YOST & ASSOCIATES, INCREASING THE CONTRACT COMPENSATION AMOUNT FROM \$1,625,209 TO \$1,907,009, AND INCREASING THE CONTINGENCY AMOUNT FROM \$165,000 TO AN AMOUNT NOT TO EXCEED \$190,000, FOR PROFESSIONAL ENGINEERING SERVICES TO PREPARE A WATER MASTER PLAN; REASSIGN CONTRACT ADMINISTRATION FOR THIS PROJECT FROM THE DIRECTOR OF PUBLIC WORKS TO THE DIRECTOR OF PUBLIC UTILITIES; AND AUTHORIZE THE DIRECTOR OF PUBLIC UTILITIES TO EXECUTE THE AMENDMENT ON BEHALF OF THE CITY

(1-L) AUTHORIZE THE PLANNING AND DEVELOPMENT DIRECTOR TO EXECUTE AMENDMENT NO. 2 FOR \$300,000 TO THE PROFESSIONAL SERVICES AGREEMENT WITH PLANNING RESOURCE ASSOCIATES, INC., FOR PROACTIVE REZONING, ANNEXATION, AND OTHER PLANNING CONSULTANT SERVICES (PROCESSING OF DEVELOPMENT PROJECTS)

(1-N) BILL NO. B-48 - ORDINANCE NO. 2007-50 - REPEALING, AMENDING AND ADDING SECTIONS TO THE FRESNO MUNICIPAL CODE RELATING TO IMPACT FEES FOR STREET FACILITIES AND TRAFFIC SIGNAL FACILITIES

On motion of Councilmember Dages, seconded by President Perea, duly carried, RESOLVED, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

CONTESTED CONSENT CALENDAR:

(1-K) APPROVE AN AGREEMENT WITH AVANTE BEHAVIORAL HEALTH TO CONTINUE TO PROVIDE AN EMPLOYEE ASSISTANCE PROGRAM TO CITY EMPLOYEES

to refer the matter back to the Health & Welfare Trust so they could reassess whether Psy-Care and Avante were the best providers and report back to Council, which motion was seconded by Councilmember Dages. City Manager Souza clarified matters and explained what was at issue, reiterated the City had no specific oversight of the Trust other than having representatives on the Board, and asked that Council move this item forward and added staff could still ask the Trust to conduct an evaluation. Councilmember Calhoun disagreed stating City funds were involved, Council had a fiduciary responsibility, and it was within Council's authority to ask for a review.

Councilmember Westerlund stated at issue was an agreement with Avante to provide a program and not whether the Trust goes forward with Psy-Care, presented questions relative to how long the City has had the agreement with Avante, if the Trust could be asked to issue an RFP if this is not approved, if there would be a gap in the employee assistance program if an RFP process is entered into, and number of employees who utilize this service (with Ms. Bond responding), and stated he would support staff's recommendation this date and asked that an RFP be looked at the next time.

A motion of Councilmember Calhoun, seconded by Councilmember Dages, to refer the matter back to the Health & Welfare Trust to reassess whether Psy-Care and Avante are the best providers and report back to Council failed, by the following vote:

Ayes : Calhoun, Dages
Noes : Duncan, Sterling, Westerlund, Xiong, Perea
Absent : None

On motion of President Perea, seconded by Councilmember Westerlund, duly carried, RESOLVED, the Agreement with Avante Behavioral Health to continue to provide an Employee Assistance Program to City employees hereby approved, by the following vote:

Ayes : Duncan, Sterling, Westerlund, Xiong, Perea
Noes : Calhoun, Dages
Absent : None

(1-M) AUTHORIZE THE PLANNING AND DEVELOPMENT DIRECTOR TO EXECUTE AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH URS CORPORATION TO REFLECT A \$300,000 INCREASE IN THE TOTAL FEE FROM \$630,000 TO \$930,000

Assistant Planning & Development Director Bergthold responded to questions of Councilmember Westerlund relative to what services URS provides and what internal oversight/controls were in place.

On motion of Councilmember Westerlund, seconded by President Perea, duly carried, RESOLVED, the Planning & Development Director authorized to execute Amendment No. 3 to the Agreement with URS Corporation to reflect a \$300,000 increase in the total from \$630,000 to \$930,000, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes : None
Absent : None

(9:00 A.M.) PUBLIC COMMENT PERIOD:

(A) SCHEDULED COMMUNICATION - APPEARANCE BY SEVEN KAYAIA, DISABLED VETERAN OF 2ND GULF WAR

Not present when called.

(B) UNSCHEDULED COMMUNICATION:

Melanie Contreras, Barbara Dilldine, Steve Frankian, and Rod Frankian of Frankian Construction, who all have businesses or family-owned businesses in the Railroad/Cherry Avenues area, spoke in opposition to the City purchasing property in that area for a

homeless encampment. Rod Frankian submitted a petition into the record containing names of other area businesses in opposition.

Harley Turner spoke in opposition to the proposed downtown river project.

Paula Savino spoke to the issue of dog tethering and SB 1578 which would prohibit tethering.

Cliff Driver spoke in support of an Independent Police Auditor.

John Manoogian, Railroad Avenue property owner, spoke in opposition to placing a homeless encampment on Railroad Avenue.

Sara Hedgpeth-Harris, representing the League of Women Voters and Fresno Housing Alliance, expressed concern with the budget scheduling and spoke to the difficulty the public has in following the budget without specific times.

Andy-T (Roberto Tambagahan), agent with A-One Brokers, stated he agreed with the business owners on the homeless encampment and spoke to his proposal to house the homeless and take care of their needs.

Relative to comments/concerns on the homeless encampment, City Manager Souza clarified no activity had taken place yet on the property in question and advised there was a very specific process that would have be followed which would require a CUP and proper legal noticing for Planning Commission and City Council hearings.

- - - -

(9:15 A.M. “A) AWARD A CONTRACT TO S.J. AMOROSO FOR CONSTRUCTION OF A CONSOLIDATED RENTAL CAR FACILITY AT THE FYI AIRPORT IN THE AMOUNT OF \$14,390,200, AND MAKE FINDINGS AND DETERMINATIONS
1. RESOLUTION NO. 2007-205 - 87TH AMENDMENT TO AAR 2006-253 APPROPRIATING \$10,690,500 TO FUND THE CONSTRUCTION CONTRACT

Airports Projects Planning Manager Meikle gave an in-depth presentation on the issue, all as contained in the staff report as submitted **(3 - 0)**, and responded to a questions and request of Councilmember Westerlund relative to what the plan was for the \$6 million that was raised and request for a breakdown on the entire \$22 million.

On motion of Councilmember Westerlund, seconded by Councilmember Calhoun, duly carried, RESOLVED, the apparent low bidder, Lewis C. Nelson and Sons, Inc., by-passed as non-responsive and a contract for construction of a Consolidated Rental Car Facility at FYI hereby awarded to S.J. Amoroso Construction in the amount of \$14,390,200, and the above entitled Resolution No. 2007-205 hereby adopted, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

- - - -

(9:30 A.M.) HEARING ON RESOLUTION OF PUBLIC USE AND NECESSITY FOR ACQUISITION OF A STREET EASEMENT FROM PROPERTY OWNED BY DEARLD HENKEL AT 3320 N. WEBER AVENUE AND A STREET EASEMENT FROM A VACANT PARCEL OWNED BY DAVID SCOFFONE AND CATHERINE ANN SCOFFONE AT THE NORTHWEST CORNER OF MARKS AND WEBER AVENUES

1. RESOLUTION NO. 2007-206 - DETERMINING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF AN EASEMENT AND RIGHT OF WAY FOR PUBLIC STREET PURPOSES AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS

Supervising Real Estate Agent Balch reviewed the issue, all as contained in the staff report as submitted, and Acting City Attorney Hale added the specific CEQA guidelines by which the categorical exemption was being applied was Section 15-301.

Upon call, no one wished to be heard and President Perea closed the hearing.

On motion of Councilmember Westerlund, seconded by Councilmember Dages, duly carried, RESOLVED, the above entitled

Resolution No. 2007-207 hereby adopted, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes : None
Absent : None

(9:45 A.M.) JOINT MEETING WITH THE REDEVELOPMENT AGENCY

The City Council recessed at 10:21 a.m. and convened in joint session with the Redevelopment Agency.

APPROVE AGENCY MINUTES OF JUNE 5, 2007

On motion of President Perea, seconded by Councilmember Westerlund, duly carried, **RESOLVED**, the Agency minutes of June 5, 2007, approved as submitted.

(A) JOINT COUNCIL/AGENCY RESOLUTION NO. 2007-207/1699 - APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE REDEVELOPMENT AGENCY AND SEQUOIA COMMUNITY HEALTH FOUNDATION, INC., FOR THE EXCHANGE OF REAL PROPERTY AND DEVELOPMENT OF A PROPOSED DENTAL CENTER BY SEQUOIA, AND MAKING RELATED FINDINGS

Redevelopment Project Manager Cox reviewed the issue, all as contained in the staff report as submitted.

Acting City Attorney Hale and outside counsel Neufeld responded to questions of Councilmember Calhoun relative to Sequoia not fulfilling its' obligations of the 1993 agreement, what occurred in 1993, and if it would have been more prudent to discuss the legal issues associated with this matter in closed session, whereupon Councilmember Calhoun made a motion to defer/continue/schedule the matter for closed session for discussion, which motion was seconded by Acting President Xiong.

Councilmember Westerlund thanked the RDA for bringing this matter forth and expanded further on the issue and what occurred while he served as Agency Vice Chair, stated he felt no one wins when litigation ensues and the City could stand on its rights but questioned what that would get, elaborated on his support of the issue stating the dental facility was needed for low income residents and urged a "no" vote on Councilmember Calhoun's motion, and made a motion to approve staff's recommendation with the caveat that the matter be brought back in six months to see how it is progressing, which motion was seconded by Councilmember Dages. Councilmember Calhoun noted a motion was already on the floor and upon question of Chair Sterling, Mr. Hale stated Councilmember Westerlund's motion was a subsidiary motion to the main motion and would be voted upon first.

Acting President Xiong clarified he seconded Councilmember Calhoun's motion as he supported discussing it in closed session as the newest member and he hoped no one would associate the motion with destroying the project, and upon his questions Director Murphey and Ms. Cox stated there was an urgency factor here due to a grant time line and although a one week delay would be tight it was doable.

Councilmember Calhoun stated he made a motion and discussion should have been focused on that, clarified the purpose for his closed session motion was so Council wouldn't debate the issues in public, and stated Mr. Hale was incorrect in stating the subsidiary motion must take place first stating if it passed it would negate his original motion and he wanted a ruling, whereupon Councilmembers Westerlund and Dages withdrew the subsidiary motion and second.

A motion of Councilmember Calhoun, seconded by Acting President Xiong, to defer and schedule the matter for closed session to discuss legal issues failed, by the following vote:

Ayes : Calhoun, Duncan, Xiong
Noes : Dages, Sterling, Westerlund, Perea
Absent : None

On motion of Councilmember Westerlund, seconded by President Perea, duly carried, **RESOLVED**, the above entitled Joint Resolution No. 2007-207/1699 hereby adopted, by the following vote:

Ayes : Dages, Duncan, Sterling, Westerlund, Perea
Noes : Calhoun, Xiong
Absent : None

At 10:50 a.m. the joint bodies recessed the meeting to 10:00 a.m. #2 and the City Council reconvened in regular session.

- - - -

(9:45 A.M. #2) PRESENTATION ON VISION 2010 DOWNTOWN ACCOMPLISHMENTS, CURRENT PROJECTS AND CONTINUING VISION

City Manager Souza introduced the issue and advised the presentation would be a three-fold approach by Agency Director Murphey, Deputy Mayor Eben and Assistant City Manager Ruiz. A recess was called to allow for PowerPoint set-up.

RECESS - 10:52 A.M. - 11:03 A.M.

Ms. Murphey, Mr. Eben and Mr. Ruiz made the presentation which consisted of downtown and 2010 accomplishments **(4 - 0)** and a PowerPoint presentation on "Continuing the Vision -- The Path to a Great City" which included Destination Downtown Fresno, Five Specific District Areas and Connectivity, 5x5: Five Projects, Five Years, and additional strategies and a summarization **(5 - 0)**.

Speaking in support of the vision and to related issues were: Jaime Holt, Planning Commissioner, who encouraged public involvement from this point forward; Victoria Salisch, Chair of the Chamber of Commerce, who requested stakeholders and community groups be brought in together as a task force; Steve Geil, Economic Development Corporation; Doug Lanier, Pastor of the Downtown Church and President of the Cultural Arts District Association; the President of the Central California Hispanic Chamber of Commerce whose name was inaudible; Susan Bechara, House of Hope; and John Hernandez, Executive Director of the Central California Hispanic Chamber of Commerce.

Mr. Ruiz clarified the City was 100% committed to having a public process and input but staff wanted to present this information to Council first.

Extensive Council discussion ensued. Councilmember Calhoun stated Fresno was moving forward to the credit of a lot of people and it was important to recognize that, spoke to the river project stating it raised serious questions for him and he was not real supportive of it and elaborated, stated Eaton Plaza needed to be completed before starting new projects, and commended City and RDA staff and officials past and present for all that has and is happening downtown. Councilmember Dages commended staff stating this was a great presentation and very aggressive, stated this plan was a great tool to define what was wanted for downtown, spoke to the \$234.7 million cost stating that was a lot of money but well worth looking at, spoke to the need to look at and determine priorities and stated the river should not be one of them stressing housing should be first and then follow with amenities, expressed his support for the street car project, expressed concern with Measure "C" as a funding source stating those funds should be used for roads, and reiterated this was a great concept but he wanted to see a priority list. Councilmember Duncan stated he was trying to be positive and presented questions and comments relative to whether this plan would stop other projects such as Eaton Plaza, why an environment of festivals and farmer's markets could not be created now, if any funds were budgeted to support this plan, disappointment that no presentation was made on Forest City's plan/when that plan would be brought forth, the proposed park, street car and river projects and operating costs, need to have started this plan five years ago, need to involve the public, and need to include Forest City's plan in any environmental work that may be done on this plan, with Mr. Ruiz and Assistant City Manager Rudd responding throughout. President Perea stated he liked the overall plan and although he was not that excited with the river he would keep his mind open, spoke in support of the street car, and spoke to the need to focus on what everyone agrees on. Councilmember Westerlund stated this was a good presentation but some projects were way beyond vision, spoke to the Quad Knopf report and the 2010 Plan, questioned why Forest City was not present this date, expressed concerns relative to the City's working relationship with Forest City and stated for this to work information had to flow both ways, presented numerous questions on the river and the Quad Knopf study **(6 - 0)**, spoke to the public safety building and how that would bring development south of the stadium, stated the plan was intriguing -- especially the street car -- but he was not willing to spend another dime on the river, and spoke to the need for downtown housing.

Relative to comments made on Forest City and the allegation that City staff was not working with them City Manager Souza and Ms. Murphey confirmed everyone has been working together with Mr. Souza adding there was no exclusion of Forest City, Forest City made it clear they would have no information to bring forth until July, this presentation was made because Council had been asking staff

to provide information, and the implication that staff was pitting this plan against Forest City's was flat wrong. There was no further discussion.

- - - -

LUNCH RECESS - 12:53 P.M. - 3:01 P.M.

(10:00 A.M. #1) CONTINUED CONSIDERATION OF THE FY 2007-08 BUDGET

GENERAL SERVICES DEPARTMENT
PLANNING & DEVELOPMENT DEPARTMENT
CONVENTION CENTER
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

PUBLIC COMMENT:

Requesting CDBG funds and/or speaking to other budget issues were: M. Justin Red, Marjaree Mason Center; Tevon Hayes, House of Hope student; JoAnna Martinez, House of Hope; Susan Bechara, House of Hope; Luis Santana, Executive Director, Fresno Covenant Foundation, who also submitted written material to Council; Jose Luis Barraza, who spoke to the needs of the disabled, the ADA Act, and battered women; Chris Schneider, Executive Director, Central California Legal Services, who spoke to their EITC proposal; Rev. Sharon Stanley, who spoke to code enforcement's budget and gave an update on the 10x10 Committee report; Ken Quenzer, Executive Director, Boys and Girls Clubs; John Hernandez, Central California Hispanic Chamber of Commerce; and Paul Werfelmann, member of the Fresno Housing Alliance Steering Committee and 10x10 committee, and pastor of Hope Lutheran Church, who spoke to code enforcement's budget and what the Alliance was trying to overcome. Assistant City Manager Ruiz clarified the three code enforcement positions were fully funded in the budget and were recognized as critical.

Upon call, no one else wished to be heard and President Perea closed public comment.

MOTION - Xiong/Duncan - Place \$100,000 for the Social Compact in a contingency fund until (1) the partnership raises 50% of the cost from other public/private partners, and (2) the partnership submits a plan for the asset map and tangible next steps for the Social Compact study.

DIRECTION - POLICE DEPARTMENT: Acting President Xiong requested a timeline for full funding and implementation for placing video cameras on vehicles.

DIRECTION - ECONOMIC DEVELOPMENT DEPARTMENT - Acting President Xiong requested staff provide a report/assessment of the number of projects the EDD Shepherd accomplished last year.

DIRECTION - CITY STAFF - Acting President Xiong requested staff meet with Dr. Moreno of Fresno County to discuss the upcoming budget cuts in Mental Health and the impact they will have on our residents.

INFORMATION SERVICES DEPARTMENT (ISD):

Councilmember Westerlund spoke briefly to information technology and the aerial photos the planning & development department uses and advised the series they were using was from 2005 and stated it was important that a new set be purchased for 2008.

MOTION - Westerlund/Sterling - Allocate \$80,000 for a new set of eye-view aerial photos.

Councilmember Westerlund referenced the motion made during his absence to move the \$100,000 for the UC Medical School and stated that funding was to show the City's commitment and explained.

DIRECTION - PUBLIC UTILITIES DEPARTMENT - Councilmember Dages directed the department to issue an RFP for fire hydrant inspections stating he found out the \$1.2 million cost for inspections was excessive.

GENERAL SERVICES DEPARTMENT:

General Services Director Nerland gave a PowerPoint presentation on his department's budget which included an introduction

of his team (**7 - 0**), FY 08 revenues by customer, and Central Printing, Facilities Management, Fleet Management and Purchasing Division highlights and initiatives.

The department was commended and brief discussion ensued with Mr. Nerland responding to questions and/or comments of Councilmembers Sterling, Duncan and President Perea relative to whether the budget provided for adequate staff, the department's top three needs and if they were funded, multi-year projects, how projects are managed/what tools are used to manage projects, the work on Fire Station 1 being stopped last October and if the reason for the stoppage was the reassignment of workers to the Convention Center/request for clarification on that situation, commendation to the department in the solar arena, what other solar projects were being pursued, and purchasing alternative fuel vehicles/process for purchase orders/if appropriate policies are in place on alternative fuels. There was no further discussion.

PLANNING AND DEVELOPMENT DEPARTMENT:

Assistant Director Bergthold gave a PowerPoint presentation on his department's budget which included a department summary, organizational chart, FY 08 funding sources, FY 08 operating budget, staffing, FY 07 accomplishments, FY 08 Enterprise Budget Improvement Plan, Planning Division highlights, Building & Safety/Code Enforcement highlights, and Housing & Community Development Division Capital Projects.

Lengthy discussion ensued with Mr. Bergthold, Assistant Director Bishop, City Manager Souza, Budget Manager Smith, HCD Manager Sigala and Assistant City Manager Ruiz responding to questions, comments and/or concerns of Councilmembers Calhoun, Dages and Sterling relative to concerns with the \$2.2 million hole in the Enterprise Fund, the code enforcement audit, and the abandoned vehicle program and \$1 fee, if funding was budgeted to do everything desired, amount collected from the abandoned vehicle program, loans from Section 108, the Sports town project/need to focus on housing/what the \$400,000 was for, the \$1 million for Spirit of Women and why that was not put out to bid, the funding sources for homeless programs and if funds were being borrowed to help others (**8 - 0**), total amount of HOME funds going to homeless programs, concern with \$4.9 million going to homeless initiatives when \$100,000 can't be found for Rotary Storyland/Playland, if the budget provided for adequate staffing, the department's top three needs and if they were funded, multi year projects and status on implementation, dollars for the Housing Trust Fund and if they were secure, request for more detail on the homeless initiative, warming centers, how the solar rebate project works, reduction in grant writer, the Municipal Restoration Zone (MRZ) and number of businesses who have received credits to date, plan for converting temporary positions to permanent, if any southeast growth was being paid by non-city sources, Sports town funding, number of permits subsidized, and status of the code enforcement reorganization plan.

Councilmember Duncan commended the department and staff for their work and leadership, and spoke to the Sports town project's CDBG Section 108 funding source being inappropriate and the fire and police public safety building being an appropriate use of those funds, and stated the funds should be removed from Sports town to help fund the public safety building.

MOTION - Duncan/Calhoun - Undesignate \$3.5 million of CDBG Section 108 funding for Sports town.

Councilmember Duncan spoke to the homeless initiative and the number of programs without the public involved and stated he was concerned everyone was going their own way on the issue.

MOTION - Duncan/Sterling - Place the homeless funds into contingency until a community homeless plan is adopted (working with Fresno County and other agencies), excluding funding for cooling centers

Councilmember Duncan spoke to the abandoned vehicle program's \$1 fee stating he found out it has not addressed more abandoned vehicles and he was concerned with the fee and what the City was getting, and requested staff provide a historical analysis of the program and the number of abandoned vehicles taken off the streets. Councilmember Duncan continued and spoke to the solar program stating it will benefit those who can afford to go solar anyway and he felt the \$200,000 could be better used for insulation and to help lower-income people instead of subsidizing the affluent.

MOTION - Duncan/Dages - Redirect the \$200,000 for the solar rebate program to an energy improvement program for seniors

Councilmember Westerlund presented questions and comments relative to the Enterprise Fund shortage, if the dollars were spread over the four divisions/which divisions would be impacted the most, total revenue generation, carryover projections, summary appropriations, how the department can expand programs when a shortfall is projected and how the budget can go forward with a negative,

various initiatives and funding sources, energy efficiency funds, and concern with the shortage.

Councilmember Dages noted Councilmember Duncan's motion on the Sports town left a balance of \$400,000 and made the following motions:

MOTION - Dages/Duncan - Appropriate \$100,000 of the Sports town allocation to Rotary Storyland/Playland as match funds

Councilmember Dages made a motion to appropriate \$18,000 to Parks & Recreation for a fitness boot camp at community centers, which motion did not receive a second but was subsequently seconded by Councilmember Sterling.

MOTION - Dages/Sterling - Appropriate \$182,000 of the Sports town allocation to the City Attorney's office.

MOTION - Dages/Duncan - Appropriate \$100,000 of the Sports town allocation for park equipment at an existing southeast park.

MOTION - Dages/Sterling - Appropriate \$18,000 to Parks & Recreation for a fitness boot camp at community centers.

Councilmember Calhoun stated he was still concerned with the Enterprise Fund and encouraged staff to meet with him prior to final adoption to convince him not to make a motion to eliminate half of the budget **(9 - 0)**.

President Perea spoke to outsiders' perceptions of the department and advised two concerns he hears constantly are (1) the length of time processes take and getting staff to return phone calls, and (2) customers coming to the department for the first time and talking with a planner about their plans and coming back another time and talking with a different planner and getting different comments, and presented questions relative to whether any thought has been given to pulling together a group of three stakeholders to discuss a variety of issues, and the Housing Trust Fund including funding, goal, lead staff person and timeline for the ordinance to implement the fund, with Mr. Berghold and Mr. Sigala responding throughout. There was no further discussion.

CONVENTION CENTER:

SMG General Manager Overfelt stated the budget was very aggressive and it was a goal he planned on meeting, gave an overview of the budget's highlights, and along with City Manager Souza responded to questions of Councilmembers Sterling, Dages and President Perea relative to the CVB, amount received in membership dues, number of members, the Sports Council's accomplishments, what the requirements are for the Sports Council to support an event, if the \$100,000 for tourism went to the RJI, if any of those funds went to the County's tourism efforts, the great job the Sports Council is doing, size of the CVB Board, negotiation of Board size, and amount collected from the Art./Entertainment/Sports surcharge and what those dollars were spent on. Mr. Overfelt spoke briefly to the outstanding performance of city staff on the facilities' improvements and there was no further discussion.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):

M.A. Smith gave an overview of the CDBG budget.

Tony Valtierra, Fresno Area Hispanic Chamber of Commerce, requested their proposal for \$50,000 be considered to continue to expand their program.

Upon Councilmember Calhoun's question it was clarified Councilmember Duncan's motion on homeless funds related to buildings and large investments and would not stop on-going operations/projects. Councilmember Calhoun spoke to CCLS's EITC campaign and their request for \$70,000 and to Council's past actions getting the City more involved and stated the City needed to put more money behind that effort.

MOTION - Calhoun/Xiong - Add an additional \$25,000 for Central California Legal Services' (CCLS) Earned Income Tax Credit (EITC) program for a total allocation of \$50,000.

For the record President Perea advised he serves on the Board of Directors for the Hispanic Chamber of Commerce and the City Attorney ruled there was no conflict.

Relative to Councilmember Calhoun's last motion Mr. Souza advised the United Way has been very active in the EITC process to get the message out and the EITC was on everyone's horizon.

For full disclosure Councilmember Westerlund advised he was engaged to the President of the Hispanic Chamber of Commerce and that he would recuse himself from any direct vote that may come up.

Public testimony on the budget was closed and the budget hearing was continued to June 19, 2007, for discussion/action on budget motions.

(10:00 A.M. #2) CONTINUED JOINT MEETING WITH THE REDEVELOPMENT AGENCY

The joint bodies reconvened their meeting at 5:55 p.m.

(A) HEARING ON THE FY 2007-08 REDEVELOPMENT AGENCY BUDGET

1. AGENCY RESOLUTION NO. 1700 - APPROPRIATING THE FY 07-08 BUDGET TO THE REDEVELOPMENT AGENCY IN THE AMOUNTS SET FORTH HEREIN FOR APPROVED PROJECTS, ACTIVITIES, AND OTHER SUCH PURPOSES AND EXPENDITURES AS MAY BE BUDGETED BY THE REDEVELOPMENT AGENCY

Executive Director Murphey acknowledged and thanked her staff and reviewed the RDA's budget which included accomplishments, staffing, the Project Areas, projects **(10 - 0)**, and the housing budget. Vice Chair Dages left the meeting at 6:03 p.m. during the presentation and was absent for the remainder of the meeting.

Member Duncan commended Ms. Murphey and her staff for all their great work and for the progress being made, and made a motion to adopt the budget.

Ms. Murphey responded to questions of Member Xiong and Chair Sterling relative to carryover funds, the Entrepreneurial Business Plan, if the budget provided for adequate staffing, what the top three needs were and if they were funded, multi year projects and implementation status, and the Community Housing Partnership including reason for reduction in funds and if the RDA was the only funding partner. Chair Sterling commended staff stating they were getting things done.

On motion of Member Duncan, seconded by Member Westerlund, duly carried, **RESOLVED**, the above entitled Agency Resolution No. 1700 hereby adopted, by the following vote:

Ayes	:	Calhoun, Duncan, Perea, Westerlund, Xiong, Sterling
Noes	:	None
Absent	:	Dages

The joint bodies adjourned their meeting at 6:14 p.m. and the City Council reconvened in regular session.

CLOSED SESSION:

(A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - CASE NAME: COF V. BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY, ET AL

Laid over one week.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 6:16 p.m. having arrived and hearing no objections,

President Perea declared the meeting adjourned.

Approved on the ____19th____ day of ____June____, 2007.

_____/s/____ ATTEST:_____/s/____
Henry T. Perea, Council President Yolanda Salazar, Assistant City Clerk